ABORIGINAL PARTICIPATION IN THE RURAL ECONOMY

LEARNING SEMINAR

FINAL REPORT

EDMONTON, ALBERTA

JANUARY 14, 2005

Hosted by:
The Rural Secretariat

Table of Contents

Pg #

PROGRAM 3-4

EXECUTIVE SUMMARY 5-6

TOPICS OF DISCUSSION:

- "BEST PRACTICES IN SUSTAINABLE ENTERPRISES"
  - Summary 7
- "ECONOMIC DEVELOPMENT AND FIRST NATIONS WOMEN"
  - Summary 8-10
- "EXAMPLES OF ABORIGINAL INVOLVEMENT IN THE RURAL ECONOMY"
  - Summary 11
- "HOW DEVELOPMENT DIFFERS FOR FIRST NATIONS AND METIS
  - Summary 12-13
- "METIS ENTREPRENEURISM
  - Summary 14
- "RESOURCE DEVELOPMENT AND MANAGEMENT
  - Summary 15

ROUND TABLE REPORT 16-17

PARTICIPANT EVALUATION SUMMARY AND REPORT ..... attachment

PARTICIPANT CONTACT LIST ..... attachment

"ABORIGINAL PARTICIPATION IN THE RURAL ECOMONY"

A Learning Seminar
Hosted by the Rural Secretariat
(Agriculture and Agri-Food Canada)

GREENWOOD INN
4485 GATEWAY BLVD.
EDMONTON, AB
January 14, 2005

PROGRAM

8:30 **OPENING REMARKS**
Nathanael Olson, Rural Secretariat

8:45 **"HOW DEVELOPMENT DIFFERS FOR FIRST NATIONS AND METIS"**
Tony Shirt, Senior Manager of Corporate Operations and Special Accounts, Peace Hills Trust

9:45 Refreshment Break

10:00 **"BEST PRACTICES IN SUSTAINABLE ENTERPRISES"**
Aldene Meis Mason, Faculty of Administration, University of Regina

10:45 ROUND TABLE DISCUSSION SESSION

11:15 "RESOURCE DEVELOPMENT AND MANAGEMENT"
Alexis Nakota Sioux

12:00 Lunch provided

1:00 "ECONOMIC DEVELOPMENT AND FIRST NATIONS WOMEN"
Audrey Ahenakew, Regional Manager, Canadian Executive Service Organization

1:30 "METIS ENTREPRENEURISM"
George Vass, General Manager, Apeetogosan (Metis) Development Inc.

2:15 Refreshment Break

2:30 "EXAMPLES OF ABORIGINAL INVOLVEMENT IN THE RURAL ECONOMY"
Steven Leskiw, Aboriginal Affairs Officer, Travers Foods Ltd.
George Halfe, Good Fish Lake Development Corporation

3:15 Round Table Discussion Session

3:45 Wrap Up Remarks

EXECUTIVE SUMMARY

The Rural Secretariat held the second in its Learning Series seminars in Edmonton on January 14th, 2005. The theme of the seminar was "Aboriginal Participation in the Rural Economy". Speakers address topics around the theme to provide a greater understanding of the potential for development involving Aboriginal communities.

Several ideas emerged repeatedly throughout the day. Several speakers told us that it is difficult to categorize First Nations, either in terms of their size, language, level of development, or the resources available to them. Each is unique and this must be recognized. There are many different levels of skill within each community as well.

Tony Shirt pointed to the three main determinants of economic development for First Nations: capacity, resources and location. Aldene Meis Mason suggested that when First Nations communities are looking for a starting point for development they need to assess what they can draw upon, and develop, to advantage. Each community can use the resources available to it as a basis for economic development whether it is oil and gas, lumber or some other resource. The value extracted from these resources then goes back to the people. An example of this is the business strategy used by Goodfish Lake Development Corporation. Chief Roderick Alexis of the Alexis Nakota Sioux Nation mentioned that when traditional interests and territories are involved in a development project, environmental concerns and sustainability must be factored in.

Strong leadership is an issue for First Nations communities. As Ms. Meis Mason pointed out, stable leadership over a long term is needed to develop strategic visions and goals. The Indian Act however requires elections every two years, making it difficult to achieve stable leadership.

We also heard a lot about relationships and partnerships. Chief Alexis told us that sitting down with neighboring communities and potential partners is the first step towards building understanding and developing relationships. Aldene Meis Mason pointed to partnerships as being critical to accessing new markets, and achieving success in global markets. We were told that Aboriginal people face great difficulties in getting equity. Since most Aboriginal people do not own their own homes or land they are often denied loans. This is a major stumbling block for those who want to start their own businesses.

The speakers mentioned the need to provide employment for Aboriginal people. The demographic projections show a huge influx of young Aboriginals into the work force in coming years. Audrey Ahenakew pointed out that Canada would need to provide several hundred thousand new jobs just to maintain current levels of employment. Aboriginal and Metis women are at the leading edge in terms of preparing themselves for the future. Not only are Aboriginal women taking advantage of opportunities to

further their education, they are also entrepreneurial. George Vass told us that 65 to 79% of his clients are Metis women.

In addition to the many problems discussed during the day, speakers also reminded us that many good things have already happened in the area of Aboriginal participation in the rural economy and we should recognize the achievements of Aboriginal entrepreneurs and communities.

In addition to the many problems which were discussed during the day, speakers also reminded us that many good things have already happened in the area of Aboriginal participation in the rural economy and we should recognize the achievements of Aboriginal entrepreneurs and communities.

BEST PRACTICES IN SUSTAINABLE ENTERPRISES
SUMMARY

Aldene Meis Mason is on the Faculty of Administration at the University of Regina, and has a long involvement with the First Nations University. She is also a member of a team of writers who have developed a series of Aboriginal business cases, and have also written a Best Practices Handbook. This was based on involvement with a number of First Nations business partners, and researchers from around the world. They were more interested in Aboriginal entrepreneurship than academia in developing these tools.

Ms. Meis Mason talked about the need to build self-reliance among First Nations. She cited the sub-standard living conditions that exist. Through control of their traditional lands they can return the value of their resources back to the people, and achieve independence through financial means. It is also important to build values and self-esteem through culture and language, and to preserve what culture has not been lost through the residential school system.

Aboriginal businesses need to compete in the global environment, and return value to their people. Economic development starts with the barter system and grows into small businesses using what resources are available at the time. Reserve lands need to have a resource to invest in, and the type of investment grows from that resource base. It is often assumed that these businesses are all community owned. In fact there are individually owned businesses, family owned and co-operatively owned businesses. Many young people are starting off-reserve businesses.

One of the things the study into best practices found was that successful enterprises have good leadership. Stable leadership over many years helps develop a clear and consistent vision. This is difficult to achieve however because the Indian Act requires and election every two years. To create that stability politics and business functions must be handled separately. It requires increased consultation with members to achieve this goal. In this way monies such as Treaty Land Entitlement can be invested to fit with a long term economic development plan.

A sound business plan is a must, as well as taking advantage of development funds from many sources and collaborations. Partnerships and strategic alliances are critical. First Nations businesses are active in global import/export. These businesses move forward by networking with partners, and trade associations as a way to access new markets.

In addition they must transfer skills and knowledge to the next generation by providing opportunities for young people to be exposed to employment opportunities. This can be facilitated through the First Nations University and through employers providing apprenticeship training. Secondment to Government and industry helps to develop managers and leaders. Aboriginal women need to be included in these opportunities. It is of little use however for individuals to have skills which cannot be utilized by the community. A community profile is helpful in matching the skills required for a particular economic development strategy with the training required.

Audrey Ahenakew reported that times have changed since she first started working in 1959:

Historically the work place was male dominated. Those who were willing to work hard be diligent, and put in long hours were likely to get ahead. But times began to change in about 1987. At that time men began to choose to stay at home as care givers while their partners went out to continue their careers. Today the younger generation still continues to work hard, but when the workday is over, they leave work behind. Family plays a much greater role. And so family values have changed.

The Aboriginal women's role is changing as well. Here in Saskatchewan the politics in Aboriginal communities continues to be male dominated. Of 74 First Nations only nine have women chiefs. Chief Mary Ann Day Walker is the longest serving woman chief in the province. She has been chief for 23 years. Talking to her she told me that probably one of the reasons she has been elected term after term is that she is reliable and she has brought stability to her First Nation. Chief Day Walker is also the person who does long-term planning for her community, and insists that the community keeps its goals in mind. When Mary Ann became chief she had two small children to raise. She told me she is now raising her grandchildren, ages 11, 10 and 3, as her daughter-in-law was killed in a car accident a year ago. When I asked her how she continues to be a chief, a grandmother, and a new mother she told me that she practices her culture on a regular basis which helps to keep her balanced.

It has only been in the last two or three decades that there has been a migration of Aboriginal people to the urban centers. When I was growing up in Saskatoon there were very few Natives living in the city. We were the only Ahenakews in the phone book. There was no such thing as racial discrimination because there were no natives to compare us to.

We moved to the city because of my diseased brother's disability. He was deaf and the only School for the Deaf was in Saskatoon. My parents made the decision that they would not leave Melvin in the school for the whole year, but rather would live in the city so they could bring him home on weekends. So I had the best of both worlds, spending my summer months on the reserve, and coming back to the city when school started.

At this time women were in the workforce, but certainly not the Aboriginal woman. I think one of the main barriers was our lack of education and the lack of employment opportunities. However times are changing. At the First Nations University 70.3% of their students now are women. 68% of those are single mothers. The Registrar at the University of Saskatchewan told me that of their Aboriginal student population 60% are women.

The Federal government forecasts an increase in the registered Indian population at twice the rate of the general population over the next 10 years. And contrary to the overall trend toward an aging Canadian population, by 2008 more than a third of the Aboriginal population is expected to be 19 years of age and younger. Just to sustain the unacceptable low level of Aboriginal employment we currently see, we would have to create several hundred thousand new jobs in that period. This is a big issue for Canada!
Will these young Aboriginal people be productive participants in tomorrow's economy? Well I can't say for sure, but I am sure that the Aboriginal women will be the ones on the move! I am very pleased to tell you that the Canadian Executive Service Organization has just completed a pilot project to help build the capacity of the Aboriginal woman. We called it "Aboriginal Women for Tomorrow". The program included five different modules:

- Communications
- Building Personal Skills
- Budgeting/Financial Management
- Skill Development for Boards
- How to Start Your Own Business

These workshops were designed and developed by a strong team of professional volunteers. Three of the workshops were two days long; the other two were one-day sessions. We delivered the workshops to ten different First Nations with 20 participants at each site.

I have talked to several of the participants since completing all the modules and the comments are quite extraordinary. One lady from La Ronge told me that before taking the workshops there was no way that she would ever have spoken to an audience. Since taking the course she talked at the local high school for 45 minutes. She said attributed her new self-confidence to having completed the course.

This project is now going to be offered in three different parts of the country including the Arctic.

Now I would like to profile of some Aboriginal women currently in business:

Vivian West is a band member from the Canoe Lake First Nation. Fourteen years ago this single mother of three children needed to make a living for her family. She had read of the opportunities that Mistik MANAGEMENT had for people to run skidders in the forest. This lady is very ambitious and was not afraid to ask for help. With some help from Indian Affairs she was able to purchase a skidder and thus she started her own business. The one thing she was guaranteed was the contracts. Today she has five full-time employees working for her. She told me that business has slowed downbecause the lumber industry is currently slow. However this lady is unique. Besides running her own business, she is presently furthering her education. She is enrolled in a two-year course in Power Engineering. She said she is learning about boilers etc. I asked her why she would take that kind of a course. Vivian said she is

thinking of the future and the possibility of oil and gas development in her region. If this happens she will be ready to grasp the opportunity. Her biggest challenge has been dealing with the men. They did not take her seriously in business. But Vivian said she would not have missed a moment of her journey.

Patti started Micisotan Café 11 years ago this February. While she was working for the Federation of Saskatchewan Indian Nations she heard that the building was going to have café space for lease. Patti thought she had nothing to lose and everything to gain by going into business. She had a line of credit of only $400. on her VISA. She knew the lease was $1000. per month. She and her husband sat down and calculated as many of the expenses as they could. She said they came to the conclusion that they needed to make $120. per day, to pay the lease. The first day they were open they made $228. She said they thought they were ahead of the game. Patti's mother played a big role in their success that first year. She was the main cook! One year later they were able to hire a part-time person. After 3 years they opened another small place. They now have a good solid business that employs 6 full-time people. They have also expanded into catering. I asked Patti what her hardest lesson was. She said it was getting good reliable staff. I also asked what she thought was the best thing about owning her own business. She said first it was the dollars, but also the continual learning that goes with owning your own business. She takes a great deal of satisfaction from the steady customers that she has on a daily basis and that they are not all Aboriginal clients.

Rave Designs is a home-based business that plans, designs and develops advertising, print and web media. Lana has been in business 6 years. Previous to owning her own business, she worked for a number of years in the marketing department of Saskatchewan Indian Gaming Office. She said she really just learned on the job. Lana saw the potential for going into business on her own and jumped at the chance. She said she designed her brochure and handed it out to 12 companies. Eight of those companies replied, and today 6 of those companies are still her clients. Two months ago she hire a part-time person to work with her, and she is now at the point where she would like to rent office space. Her business continues to grow.

In closing I would like to tell you that in the past 5 years I have seen many changes at the Reserve, including an Aboriginal woman doctor and an Aboriginal woman dentist. And I would like to share with you a saying. One of the recipients of the Saskatchewan Order of Merit recalled his grandfather's favorite saying:

"It takes much time to learn wisdom. But it takes no time to share your wisdom."

EXAMPLES OF ABORIGINAL INVOLVEMENT IN THE RURAL ECONOMY
SUMMARY

The final session of the day was co-presented by Steven Leskiw, Aboriginal Affairs Officer for Travers Foods Ltd. and George Halfe, General Manager of the Goodfish Lake Development Corp.

Steven Leskiw told us that Travers Foods provides camp and catering services in remote areas. Originally about 15% to 20% of their employees were Aboriginal. That has increased to 35% and continues to climb. Travers Foods also uses First Nations service providers if they are competitive. Travers Foods trains people on the job, through an apprenticeship program.

Travers Foods is also involved in joint venturing with Aboriginal communities in the purchase of equipment. They do this through profit sharing arrangements with the community. The communities eventually own the equipment, which can provide rental income for them in the future. There are other benefits as well, such as increased employment within the community.

Since 1999 the company has donated $280 million towards the communities they work with. These funds have gone into such facilities as daycare nurseries, and arenas. These are funds that have gone into the communities in addition to the job opportunities that Travers Foods has provided.

George Halfe talked to participants about Goodfish Lake Development Corporation. The corporation encompasses a dry-cleaning business, a protective clothing supply business, and a sewing business for northern work camps. The corporation has been in operation for 26 years. Most of their inventory goes to the Fort McMurray tar sands industries. Goodfish Lake is located in the Lakeland area, two hours northeast of Edmonton. This area is very active in oil and gas extraction. Supplies for the Goodfish Lake Development Corp.'s various enterprises have to come from Edmonton and this represents a significant cost of doing business.

The Goodfish Lake community has been very proactive in utilizing the industrial development around them, and recognizing potential development. The laundry facility that they have developed handles 8 to 10 thousand pair of coveralls every week, as well as 3000 sheets per day. There is a growing demand for their services, and so a new facility in the planning stages.

The Goodfish Lake enterprises are influenced by the fortunes of the oil and gas industries around Fort McMurray. Goodfish Lake Development Corporation employs 85 people on the reserve but that number has reached 100. The company contributes to the local economy both through employment and through the economic spin-offs it generates.

HOW DEVELOPMENT DIFFERS FOR FIRST NATIONS AND METIS
SUMMARY

Tony Shirt, Senior Manger of Corporate Operations and Special Accounts for Peace Hills Trust Company talked about how First Nations development may differ from non-Aboriginal development. He described the diversity of First Nations, saying that bands differ greatly in size, that there are many languages, and even the same language varies by region. He described how opportunities and circumstances also differ. Even those First Nations that are financially well off need organizational help to develop and deliver projects to their communities.

The Samson First Nation, which came into money in the 1970's, found that they were not culturally appreciated in the banking institutions they dealt with at that time. As a result they formed Peace Hills Trust Company. Peace Hills Trust, which opened in 1980 through a Federal Charter, operates across the country providing banking services to First Nations so that they can develop their own communities. To date more that $300 million has gone into development through Peace Hills Trust. Today the Samson First Nation also owns a number of other companies including their own insurance firm.

First Nations, whether large or small, often have limited capacity and some social problems. Most particularly want to build adequate homes for their people and increase the number of activities available for young people. Infrastructure is needed in many areas as the level of infrastructure ranges from dilapidated to very modern, depending on the circumstances of the community. And communities want to provide home grown employment. Resources are not as easily accessible to First Nations. Peace Hills Trust partners with communities to help deliver services in addition to lending for projects with high return on investment.

Another of the goals of most Aboriginal communities is to slow down the migration of people from the reserve to urban centers. Peace Hills Trust encourages development of community capacity on reserve. One strategy is to provide opportunities at home by hiring qualified people within the band. Another goal is self-sufficiency for the community. Each First Nation manages its resources in an individual way, but many have developed a corporate structure which incorporates the use of a trust to channel profits for use of the band.

Mr. Shirt pointed out that development for First Nations is not a one-size fits all proposition. Rather each situation is unique depending on the community's capacity, location and resources. He presented an organizational chart showing the band membership at the top, over and above the Chief and Council. Though each First Nation operates in an individual way, most use a holding company as a way of incorporating a number of business interests and providing accountability. The profits can be channeled through a trust for use within the community. It also provides lots of local employment in the delivery of programs.

During the question and answer portion of this presentation Mr. Shirt shared the

following information:

Tourism is not the main component of many deals which Peace Hills Trust is involved in.

Peace Hills Trust does not provide project management services.

The average length of time that Peace Hills Trust is involved in a project may be longer with First Nations than with non-First Nations because consultation with committees and elders makes the process more challenging. The tradition of using committees and modern time lines may not mesh comfortably together, but with patience things do move ahead.

Peace Hills Trust would not look at projects of less than $25,000 due to the administrative expense involved. But Peace Hills Trust will take on more development risk than banks.

METIS ENTREPRENEURISM
SUMMARY

George Vass of Apeetogosan (Metis) Development Inc. spoke to seminar participants about his organization and its activities. Apeetogosan is a capital corporation formed by the Federal government to serve First Nations. Apeetogosan (Metis) Development Inc. is based in Edmonton and serves only Metis, and non-status Indian clients.

Apeetogosan is a for-profit organization and is responsible to its Metis shareholders. There are about 6000 Metis living in various settlements. Apeetogosan goes to them, which requires extensive travel. Aboriginal Business Canada has programs, which can be accessed by Metis business people, however those who do not qualify for these programs, or other programs may look to Apeetogosan. Apeetogosan will often take loans that banks refuse. Apeetogosan provides help in developing business plans, provides funding, and after-care such as help with marketing, and bookkeeping advice for their clients through Pinnacle Business Services. The mandate of Apeetogosan is to help Metis people get into business.

Apeetogosan looks at a clients experience, credit history, and drive. In some cases these attributes will help a person get an unsecured loan. Apeetogosan works very closely with the client in the early stages to ensure the security of their investment. They do not loan for things like vehicles or homes, but lend solely for entrepreneurial expenditures. The usual amount of these loans is $5000 to $325000. They also have an Aboriginal Youth Fund, co-sponsored with Aboriginal Business Canada, which loans in amounts up to $15000. Mr. Vass told us that 65-70% of their client base is women.

Mr. Vass profiled some of the businesses, which have had start-up assistance from Apeetogosan (Metis) Development Inc. One third of some 800 business that Apeetogosan has helped get off the ground are still in business today. The businesses profiled have also been featured in the Moccasin Telegraph newsletter.

RESOURCE DEVELOPMENT AND MANAGEMENT
SUMMARY

This presentation by the Alexis Nakota Sioux Nation consisted of 3 components. The first was a video presentation, followed by a talk by Chief Roderick Alexis, and finally Division [1] Media Corporation gave a demonstration of the website they have designed for the Alexis Nakota Sioux Nation.

The video presentation gave information about a conference that was organized by the Alexis Nakota Sioux Nation in 2004. It brought together government and industry with First Nations. Entitled "South of 60" the conference was an initiative to create the types of partnerships that could be beneficial for industry and First Nations. First Nations want to be involved in the decision-making process with industry. And they want to partner with the Province of Alberta on development projects. They recognize that partnering is important to success. Chief Alexis pointed out that traditional interests and traditional territories of First Nations people are involved in development projects and therefore environmental issues, and sustainability are primary considerations. There must be something left behind for future generation after the resource extraction. This may mean changing the direction of industry to take into account traditional values, while still continuing to grow. The video included clips from the presentations at the "South of 60" conference.

Following the video presentation Chief Roderick Alexis spoke about the opportunities available to the Alexis Nakota Sioux Nation. He emphasized that it is important to recognize the talents that exist within the community. He mentioned the development that is happening in his areas for oil and gas. This activity has open up opportunities for employment, and service rig businesses.

Chief Alexis suggested that the Alexis Nakota Sioux Nation could mentor other First Nations based on the experience they have had in developing relationships with non-Aboriginal communities. As an example the town of White Court has a working relationship with the Alexis Nakota Sioux Nation, and the town sees benefits from activities that the First Nation promotes. Chief Alexis emphasized that sitting down and meeting is the most important step in developing these types of beneficial relationships and moving forward.

Division 1 Media gave a demonstration of the website they designed for the Alexis Nakota Sioux Nation to wrap up the presentation. The website has an archive of land resources on-line. It also shows current land use activity in the traditional Alexis Nakota Sioux area. These maps are very useful for anyone interested in potential development projects in the area. The website also lays out land use regulations. The business section of the website shows the corporate profile of the businesses currently operated by the Alexis Nakota Sioux Nation. It lists their contacts and business information. In addition the website provides information on community activities for those who are living off-reserve. The website can be found at www.alexisnakotasioux.com.

The group engaged in round table discussions of the points raised during the presentations. Some of the observations to come out of the discussions were:

- the importance of relationship between Peace Hills Trust and its clients
- the high percentage of Aboriginal employment at Peace Hills Trust including management
- surprise that Peace Hills Trust provided regular financial services
- need for basic education and capacity building
    - literacy and math skills are essential for access to jobs
    - those with post-secondary education not going back to reserves
    - lack of proper education in northern and rural communities creates barriers
    - importance of distance learning institutions
    - provide training that is appropriate for the needs of the rural community
    - need to target youth, and parents to understand how to encourage their kids
    - economic development success starts at school
- need to incorporate cultural differences into post-secondary education programs
- the importance of mentoring, and the need for it on reserves
- building partnerships relies on building relationships
- added complexity when working with Aboriginal organizations because of community control and expectations
- challenges and obstacle to being an on-reserve business
- exciting changes to the face of economic development over the last 10 years
    - links to Best Practices website important
    - global partnerships being established and promoted
    - Aboriginal communities do seek expertise from outside
- diversity of Aboriginal businesses across the country
    - lack of resources for some First Nations
    - not all First Nations are wealthy
- we do not see media coverage of successful Aboriginal people
    - many reserves and settlements have taken on their own economic development and have succeeded
    - the expectation is failure not success
    - in reality a vast transition from subsistence economy to current
- on reserve, governance and legal requirements are different from off reserve
    - need for stable government
    - can't go more than 4 years without an impact on democracy
    - voting age of 21 an interesting fact for band elections
- cultural differences do not mesh with non-Aboriginal economic development
    - lack of awareness on the part of partners is challenging
    - traditional knowledge is not supported in mainstream society
- problems of youth with drugs needs to be addressed
- jobs require more than just training, need holistic approach

- need to look at environmental consequences of profit-oriented investments

Some of the questions that arose from the round table discussions were:

- how do partnerships form?
  - from the inside out, or from the outside in
- when Aboriginals leave their communities for post-secondary education are they alienated and can't go back

what about the reserves and settlements that do not have wealth